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H FOR CODEL REED

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SUBJECT: SCENESETTER FOR CODEL REED'S JULY 20 VISIT TO
KUWAIT

Summary

11. Embassy Kuwait warmly welcomes your July 20th visit to this small but important Gulf ally. Your timing is propitious for advancing bilateral engagement between Iraq and Kuwait. We have requested a meeting with Amir Shaykh Sabah Al-Ahmad Al-Jaber Al Sabah during which you will have the opportunity to underscore our committed bilateral relationship and to show appreciation for the tremendous support that Kuwait provides to our efforts in Iraq. Our recent ranking of Kuwait as a Tier III (worst offender) for trafficking in persons (TIP) and designation of a prominent Kuwait-based charity, Revival of Islamic Heritage Society (RIHS) as a financial resource for terrorists, seriously ruffled some leadership feathers here, but also prompted introspection and hopefully positive action on domestic practices and terror finance monitoring. Internally, Kuwait is experiencing the growing pains of a fledgling democracy as it makes genuine power sharing efforts between legislative and executive branches within a changing demographic base. Political noise notwithstanding, our bilateral relationship with the government is secure. End summary.

Kuwait is an Indispensable Ally

12. (SBU) Kuwaiti people remain deeply grateful to the U.S. for leading Operation Desert Storm in 1991. The Government of Kuwait (GOK) provides nearly \$1 billion annually in material and logistical support to Operation Iraqi Freedom, including access to airspace and ground bases, discounted fuel and use of air and sea ports to move material and personnel in and out of Iraq. Indeed, Kuwait and its leadership, with Amir Shaykh Sabah at the helm, contributes more than all other nations combined to support our stabilization efforts in Iraq. Last year, nearly 500,000 troops transited Kuwait en route to Iraq and Afghanistan. You hopefully will have an opportunity to visit the first rate facilities at Camp Arifjan.

Iraq Support and Debt Relief

13. It has been something of a psychological sea change for Kuwaitis to go from being Iraq's historical victims--invaded, pillaged and murdered by Saddam's armies--and subsequently liberated and sheltered by the U.S. to having the USG become Iraq's chief solicitor as we seek to stabilize and rebuild that country. Kuwait hosted a successful Iraq Neighbors Conference in April this year. It has pledged \$500 million to Iraqi reconstruction efforts and is awaiting Iraqi proposals to allocate and disperse funds through its aid organization, the Kuwait Fund for Arab Economic Development. Much of this aid will be earmarked for schools and hospitals.

Kuwait is unlikely to follow the UAE in canceling Iraq's significant bilateral debt (\$29 billion). Such a move would require Parliamentary approval since this is publicly held debt (unlike elsewhere in the GCC), and Members of Parliament (MPs) have publicly indicated their opposition to the idea; at the same time, there has been no move to actively collect on this debt. Recently the GOK and GOI negotiated creative solutions to other claims involving Kuwait Airways and we anticipate similar flexibility in the future.

Kuwaiti Ambassador to Baghdad

¶4. The GOK named Major General (retired) Ali Al-Mo'min as its Ambassador-designate to Baghdad in 2004, promising to send him upon the simultaneous posting of an Iraqi ambassador to Kuwait, an announcement we hope to hear soon.

Kuwait and Counterterrorism

¶5. Reports that three Kuwaitis, including former Guantanamo detainee Abdullah Al-Ajmi, participated in April suicide attacks in Mosul, Iraq dismayed the Kuwaiti leadership and highlighted our concerns that a permissive environment in Kuwait has enabled extremists. Subsequent to that incident, the GOK froze the assets of three Kuwaiti UNSCR 1267 designees and appears to have increased its vigilance. We work closely with the GOK on these concerns.

¶6. On June 19, under U.S. Executive Order, we designated Kuwait's domestic headquarters of the Revival of Islamic

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Heritage Society (RIHS) as a terror financier. This act, coupled with our June 4 Tier III TIP ranking, prompted criticism from the government, MPs and the Kuwaiti press for perceived USG intrusion into domestic issues.

Kuwait's Internal Political Dynamics

¶7. Unique in the Gulf region, Kuwait's ruling family democratically shares power with its legislative counterpart in the National Assembly. Women were granted the right to vote in 2005. This fledgling democracy, however, is often stunted by obstreperous and agenda-driven MPs, while a relatively free press (17 different newspapers) antagonizes both sides. On March 19, the Amir constitutionally dissolved parliament for the second time in two years; the subsequent May 17 election was widely viewed as a success for conservative, Islamist MPs, and a defeat for women, who ran positive campaigns, but failed to get elected. When presenting the newly appointed Cabinet (which included two women) at the June 2 opening session of parliament, the Amir issued a thinly-veiled threat to dissolve the body again if it could not work amicably with the government. Though parliament adjourned on June 26, rumors abound of pending interpellation of cabinet ministers by MPs who are displeased with government performance or are pursuing personal or constituency agendas. This intergovernmental bickering is unlikely to significantly affect any key U.S.-Kuwait bilateral issues.

¶8. Senior USG Administration visitors in Kuwait this year have included Homeland Security Secretary Chertoff, Assistant to the President on Homeland Security and Counterterrorism Wainstein, MNF-I Commanding General Petraeus, Department of State senior officials on counterterrorism and Iraq, respectively, Ambassadors Dailey and Satterfield, as well as the President in January and Secretary Rice on several occasions. The President has invited the Prime Minister to visit Washington this fall.

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